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17 July 1975

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

Enclosed herewith are my comments, as requested in the National Security Council memorandum dated July 11, 1975, Subject: "The Commission on the Organization of the Government for the Conduct of Foreign Policy (The Murphy Commission)," on the recommendations contained in Chapter 7, "Intelligence," of the Murphy Commission report.

My views on the Commission recommendations in other chapters of the report will be submitted separately, including comments on the need for secrecy legislation and the importance of improving cover arrangements with other Government departments for CIA operations overseas.

Respectfully,

S/B/C

W. E. Colby
Director

Enclosure

Drafted by IC Staff
Rewritten: DCI/WEC:bip (17 July 75)
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RECOMMENDATION (46)

The DCI should have an office in close proximity to the White House and be accorded regular and direct contact with the President.

The DCI's relationship with the President depends on the President's preferences and working habits. Since the present DCI's office at Langley is only fifteen minutes from the White House, I see little value in establishing an additional office nearer, as access is easy any time the President desires it. I also believe it important that the DCI maintain a close relationship and full familiarity with the analytical base within CIA, upon which most of his substantive judgments are founded.

As for regular and direct contact with the President, again this must depend upon the President's preferences and working habits. Regular and direct contact does exist with the President in National Security Council meetings and special meetings called on particular subjects from time to time. In addition, I have no inhibitions against requesting a direct and even private meeting with the President on any occasion when this might be required. Normally, however, I believe it useful for the Assistant to the President for National Security Affairs to be kept fully advised of the DCI's and the Agency's contacts with the President in order that the Assistant to the President fulfill his responsibilities to the President with respect to national security affairs.

RECOMMENDATION (47)

The CIA should be retitled the Foreign Intelligence Agency (FIA), and its Director the Director of Foreign Intelligence (DFI).

I see no particular advantage to be gained by retitling the CIA as the Foreign Intelligence Agency (FIA) or changing the title of the Agency head to the Director of Foreign Intelligence. The change would be cosmetic and not substantive. It could do violence to the concept of "central intelligence" which was the primary purpose for the creation of CIA.

Putting more stress on the fact that the responsibilities of the DCI and the CIA are limited to foreign intelligence can be accomplished by inserting "foreign" in appropriate places in the basic legislation--as already has been proposed both by me and the Rockefeller Commission.

RECOMMENDATION (48)

In order to best utilize the PFIAB:

- each incoming President should review and make such changes in PFIAB's membership as may be required to give him high personal confidence in that body's values and judgement; that
- he make himself directly available to the Chairman of PFIAB upon the latter's request; and that
- the PFIAB staff should be increased in size, and drawn in part from sources outside the intelligence community.

I fully concur in this recommendation. As I noted in my 23 June 1974 comments on the Report to the President of the Commission on CIA Activities within the United States, I have the highest regard for the contribution which the PFIAB has made to the improvement of the intelligence structure of our Government to date, and I look forward to the Board's specific supervision and independent assessment of our performance in the future.

RECOMMENDATION (49)

Covert action cannot be abandoned, but it should be employed only when clearly essential to vital U.S. purposes and then only after a careful process of high level review.

I concur in the observation that covert action cannot be abandoned and should be employed when vital to our national goals, but only after a careful process of high level review.

RECOMMENDATION (50)

As the sensitivity and risks of covert action require appropriate review and consultation:

--covert action should only be authorized after collective consideration of its benefits and risks by all available 40 Committee members, and that,

--besides granting initial approvals, the 40 Committee should regularly review the continuing appropriateness of activities still being pursued.

The recommendation is essentially sound; the President, of course, has the right in exceptional cases to establish special procedures.

RECOMMENDATION (51)

PL-93-559 be amended to require reporting of covert actions to the proposed Joint Committee on National Security, and to omit any requirement for the personal certification of the President as to their necessity.

The establishment of a single, small and select joint committee of the Congress with a clearly defined role which could include a review of covert action programs would limit the proliferation of sensitive information. I concur in the Commission's recommendation that PL-93-559 be amended to omit any requirement for the personal certification of the President.

RECOMMENDATION (52)

The NSCIC should be actively used as the principal forum for the resolution, short of the President, of the differing perspectives of intelligence consumers and producers, and should meet frequently for that purpose.

I believe this recommendation is well intentioned but is perhaps a little artificial. The members of the NSCIC have a number of important responsibilities, and any attempt to get them to meet "frequently" might lead to more form than substance in the relationship. It certainly is appropriate, however, that the guidance and needs of intelligence consumers should be made available to the Intelligence Community on a regular basis.

To achieve this, several steps have been taken. The NSCIC Working Group, now chaired by the Deputy Assistant to the President for National Security Affairs, has been established to provide periodic staff-level identification of consumer needs and comments for submission to the members of the NSCIC. The Economic Intelligence Subcommittee of the NSCIC, chaired by the Assistant Secretary of the Treasury for International Affairs, has been organized to concentrate especially on the increasingly important subject of economic intelligence from the point of view of the consumers. Lastly, one of the motives for the establishment of the National Intelligence Officers, and a standing assignment of them, was to improve communication with customers in the specialized fields covered by these officers. With this structure of staff-level contact, I believe that occasional meetings of the NSCIC itself, focused on significant documents such as the DCI Perspectives, Key Intelligence Questions, etc., would be more fruitful than meetings of the principal members of the NSCIC "frequently."

RECOMMENDATION (53)

While the intelligence agencies should retain and exercise their improved competence in the analysis of international economic issues, the Departments of State, Treasury, Commerce, and Agriculture, and the Council of Economic Advisors must maintain similar capabilities. We believe that, in all four of the Departments, those capabilities should be significantly strengthened.

This recommendation has considerable merit. International economic issues more often than not are complex, many-faceted, and elusive. Analysis from various departmental viewpoints can add to the overall understanding of the implications of these issues and give greater assurance that U.S. policymakers are informed of their full range of options. The benefits from strengthening the competence of all Washington economic agencies in international economic analysis will be even greater as these agencies perfect the means for sharing their analytical findings. Greater sharing of analytical products also will guard against unnecessary duplication of research.

RECOMMENDATION (54)

A small staff of the highest quality, drawn from within and without the intelligence community and responsible for the drafting and review of NIEs, should be established. This staff, reporting directly to the DFI, should be charged with reporting clearly any important differences in the views of concerned agencies, and the reasons for such differences.

This recommendation clearly endeavors to recapture in a central office the drafting of national estimates, with the idea that these drafts be subject to later consultation with the member agencies of the Intelligence Community. I concur with the suggestion of an increase in the small editorial staff that assists the National Intelligence Officers in producing the best possible substantive and editorial national estimates. I believe, however, that the drafting function should not be constrained to a single staff, but should, at the National Intelligence Officers' option, be drafted centrally or assigned to one or another member of the Intelligence Community. I think the latter system is apt to surface more sharply differences in the judgments of the various member agencies of the Community than the rigid procedure of drafting centrally and seeking comments. The National Intelligence Officer structure is clearly an evolving institution and has no immutable character, but I think the purpose remains valid of using them as a way of improving communication among the experts within the Community, with our customers and with other talent outside the Community. I believe this communication is facilitated by keeping the National Intelligence Officer as a single staff officer responsible to the DCI rather than allowing this group of officers to develop a bureaucratic existence and life of their own. The Commission's recommendation, it appears to me, considers only the estimate function and tries to obtain the benefits of both the new National Intelligence Officer system and the old Board of National Estimates. I believe this is not entirely feasible, and my preference clearly is the National Intelligence Officer system as a way of more clearly identifying differences of view among the Community, improving our overall intelligence process of collection, processing and producing all sorts of intelligence (not estimates alone), and providing the DCI with substantive support in his managerial as well as his substantive responsibilities.

RECOMMENDATION (55)

a. Under the direction of the DFI, the IC staff should expand "Perspectives for Intelligence" into an annually revised multi-year plan for the allocation of responsibilities across the intelligence community. The plan should be reviewed in USIB and approved by the NSCIC.

b. On the basis of the multi-year plan, the IC staff should prepare an annual Consolidated Foreign Intelligence Budget. After review by IRAC and OMB, this document should guide the budget submission of each of the agencies and departments of the intelligence community to OMB. It should also provide a basis for the consideration, by the proposed Joint Committee of the Congress on National Security, of the funds to be annually authorized the intelligence community.

Reference 55a:

I do not consider that the "Perspectives for Intelligence" should become the vehicle to accomplish actions which are now and, in my view, should continue to be the responsibility of the National Security Council.

The annual "Perspectives" is intended as DCI guidance to the Community concerning problems expected to arise within the coming five years. It could quite logically become a multi-year plan which would identify, among other guidance, those aspects of the existing allocation of responsibilities to which study should be addressed. Any directives to reallocate major responsibilities on the basis of studies initiated in response to the "Perspectives" should require approval of the National Security Council itself.

Reference 55b:

Except for one essential difference, this recommendation reflects the present situation. The "Perspectives" is one of the documents now taken into consideration in the annual preparation of my recommendations for the national foreign intelligence program which I submit to the President through the OMB.

The essential difference, however, is that my recommendations to the President are based on a review of the budgets prepared elsewhere, primarily in the Department of Defense. My recommendations are meant as advice to the President on the overall intelligence program to aid him in assembling the budget he submits to the Congress and not as a guide for the initial preparation of the budget submissions of other agencies and departments of the Intelligence Community.

Recommendation 55b would make me responsible for before-the-fact budgetary guidance on intelligence matters to the statutory members of the National Security Council, which I do not consider appropriate.

The final sentence of the recommendation contemplates an annual authorization for appropriation of funds for the activities of CIA, a requirement that does not exist under current law (CIA Act of 1949). Such a new annual authorization request carries with it the same security problems as would an open budget for the CIA. Moreover, providing documents to the proposed Joint Committee which have been prepared as staff preparations for the President's Budget raises serious questions concerning the separation of powers.